

**Approved  
April 25, 2016**

**REGULAR MEETING**  
**(CONDUCTED AS A COMMITTEE-OF-THE-WHOLE)**  
**OF THE COUNCIL**  
**CITY OF SOUTHFIELD**  
**February 22, 2016**

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OF THE COUNCIL  
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MINUTES

**February 22, 2016**

The meeting of the Council convened at 7:30 p.m. in the Council Conference Room of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan, with Council President Myron Frasier in the Chair. PRESENT: Council Members: Daniel Brightwell, Lloyd Crews, Donald Fracassi, Myron Frasier, Michael Ari Mandelbaum, Tawnya Morris and Joan Seymour. ALSO PRESENT: Mayor Kenson Siver, Deputy City Clerk Mary Steflja, City Administrator Frederick Zorn and City Attorney Susan Ward-Witkowski. There being a quorum, Council was in session.

\*\*\*\*\* Second Quarter Budget Adjustment

On February 12, 2016 the Council Finance Committee recommended the adoption of the proposed second quarter budget adjustment. Lyn Roberts presented the budget adjustment requesting approval from Council. The first recommendation was to decrease the Contingency Account and increase the Legal Fees Account by \$150,000. Legal expenditures are projected to increase due to the relating tax appeal issues and labor relation matters causing legal fees to exceed the original budgeted amount.

The second adjustment would be to decrease the Contingency Account and increase the Salary Adjustment Account by \$200,000. In addition to the \$200,000, \$50,000 would come from the Use of Undesignated Fund Balance from Parks and Recreation Account to increase the Salary Adjustment Account. When this budget was being developed, several positions were included but were not funded at the time of the adoption. Currently there are several positions that are in the process of being filled and will need to be funded. The positions include a Payroll Specialist in the Accounting Department, a Writer in the Community Relations Department, a Building Official, a Development Services Counter Technician/Zoning and a Director of Parks and Recreation.

The third adjustment is to fund the contract for Hamilton Anderson, a project consultant for the property across the street from City Hall. To fund the contract, \$100,000 would come from the Use of Designated Fund Balance Tax Base Initiative Reserve Account and increase the Contractual Services Account.

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The last adjustment would be used for Northland Mall. There are certain expenditures that are necessary to maintain the property including legal fees, environmental evaluations, security and other miscellaneous expenses. To fund the Northland Mall expenditures, \$5,420,000 would come from the Use of Designated Fund Balance Tax Base Initiative Reserve Account.

Discussion ensued between Council, Mayor Kenson Siver, City Administrator Fred Zorn and Director of Fiscal Services Lyn Roberts. Councilman Donald Fracassi expressed his concerns about moving funds out of the Contingency Account. Councilman Fracassi stated that he is very concerned about the stability of the City and that Council needs to be kept up to date with what is happening with the City's money. Ms. Roberts stated that the City is open to all forms of communication and anything that the Council wants to see, modify or adjust. Council President Myron Frasier insisted on having better communication between the Finance Department and Council. Mayor Siver stated that the City should have a monthly financial report to show revenues and expenditures. The Mayor congratulated Lyn Roberts for this update which is normally done in May. This budget has four months left and Ms. Roberts provided a great update for each account. The Mayor agreed that he has seen a difference with Ms. Roberts in helping the City make progress. Councilman Brightwell stated that the City should be generating a monthly financial report which will help everyone have a better understanding and that Ms. Roberts is working on a report that does have the actual amounts.

There was a consensus of Council to place this matter on the next Regular Meeting agenda for approval.

\*\*\*\*\* Proposed Ordinance Amendment – Water and Sewer Charges

The State of Michigan provides the City with security for the collection of water and sewer charges by placing a lien against the premises in which the water and sewage charges were incurred. The lien on the property does not apply where a lease has been legally executed; containing a provision that the water and sewage system bills are the responsibility of a tenant, not the property owner. The purpose of the revision is to clearly establish the requirements of both the property owner and the tenant. The City would collect the lease agreements which would include the expiration date stating who has the obligation for paying the water and sewer charges.

When the water and sewer charges are placed on the property taxes, the City makes those charges easy to collect. If the tenant is responsible for the water and sewer charges, then the City cannot put a lien on the property. The City is suggesting a six month security deposit if the tenant is responsible. If the water and sewer charges go delinquent, the City has an option to turn the water off. If the tenant does come in to have the water turned back on, there will be charges of \$90 during business hours, \$105 on Saturday and \$125 on a Sunday or a holiday. If the tenant does not have the water turned back on within 10 days, the property will be considered unlivable.

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This ordinance amendment does not pertain to businesses. In the past the City has not suffered a loss from the business sector. The City is harmed when the business property sells at a tax sale and does not bring in money to cover the taxes and water charges. The ordinance does state that the City has the option to turn their water off.

It is recommended that a six month security deposit would be sufficient to protect the City from loss in the event that tenant(s) in the lease agreements fail to make timely usage payments. The amount of the required security deposit shall be determined by the Director of Public Works, or his designee, in his or her sole discretion to assure that the system is adequately protected from loss.

There was a consensus of Council to place this item on the next Regular Meeting agenda for approval.

\*\*\*\* Discussion of Indoor Digital Signage for the Municipal Campus

Technology Services Director, LaVern Walker discussed the possibilities of an indoor digital signage for the City. The Council previously authorized digital signs for Beech Woods Recreation Center and in front of City Hall. Allowing indoor digital signage at the municipal campus is a great marketing tool to promote City services, revenue generating programs, news, events, businesses and emergency alerts. Digital signage is a more modern cost-effective way to display current information. The indoor digital signage would be displayed by a large flat screen television monitor which includes software and media players. The six locations that have been identified for the digital signs are the lobby of City Hall, Parks & Recreation, the lobby of the Public Services Building, the Police Department and two in the Pavilion. All television monitors would have access to Cable 15 by changing the input selection.

Four companies were evaluated and the decision was based on a combination of ease of use, functionality, available templates and pricing. Marlin Company was chosen as the best option for the City. This company is a cloud based system that enables multiple users to obtain easy secure access from any online location. There are 22 different content pieces per month utilizing high impact graphics and videos. The cost would be \$9,957.20 for 14 months (May 1, 2016 – June 30, 2017) which includes six televisions in five locations.

Discussion ensued between Council and Ms. Walker regarding the placement of the digital sign in the lobby of City Hall. Councilman Fracassi and Councilwoman Seymour opposed having a digital sign in the lobby of the Municipal Building. Each believe that the sign would disrupt the beauty of the lobby. Councilman Brightwell stated that he has gone to many different companies that have a digital sign stating news and events. The remaining Council gave their opinions on the placement of the digital sign in the lobby of the Municipal Building.

There was a consensus of Council to move forward on this item.

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\*\*\*\*\* Establishment of a Pilot Neighborhood Enterprise Zone (NEZ) Program

City Administrator Fred Zorn spoke regarding establishing a Pilot Neighborhood Enterprise Zone (NEZ) Program within the City. The program was previously reviewed and received favorable consideration by the Neighborhood Services Committee at their February 12, 2016 meeting. This program is aimed at promoting home ownership and investment in areas where the greatest impact would occur and where such improvements may trigger additional investment in adjacent neighborhoods. The areas recommended for this program are Sections 34 and 35 and the first four blocks west of Greenfield Road from 12 Mile Road down to Catalpa. City Administrator Zorn stated that the City would like to proceed with this program to develop applications and documents then come back to Council with an ordinance.

The Neighborhood Enterprise Zone (NEZ) Act provides a tax incentive for a defined period of time for new construction, substantial rehabilitation of residential structures and under specific circumstances, new construction of rental market rate apartments. Once rehabilitation and/or new construction projects are completed, a NEZ Certificate is granted by the Michigan State Tax Commission. This document proves the property owner's eligibility for the property tax incentive.

To be eligible for an NEZ Certificate, the property must be located in a designated NEZ area. Another requirement is that the property owner must submit a completed NEZ application to the Office of Housing and Neighborhood Services before applying for any permits and prior to beginning any construction activities. Any improvements made prior to applying for a NEZ Certificate are ineligible for NEZ benefits.

NEZ Certificates are available to home owners and landlords. For an owner-occupied single-family property as their principal residence, the property must have a current true cash value of \$80,000 or less. If improvements are done by a licensed contractor, an owner-occupant must invest a minimum of \$5,000 in rehabilitation efforts or 50% of the true cash value, whichever is less. If improvements are done by the owner and not a licensed contractor, a minimum of \$3,000 in materials must be invested or 50% of the true cash value, whichever is less. A property owner must provide either receipts of proof of materials purchased or a detailed cost estimate for improvements to be made.

Rental properties are available for NEZ certificates but must have 8 units or less and have a current true cash value of \$80,000 or less per unit. If improvements are done by a licensed contractor, the cost of improvements must be more than \$7,500 per unit or 50% of the true cash value, whichever is less. A rental property owner must provide documentation of the investment in the form of an estimate from a licensed contractor. A minimum investment of \$4,500 is allowed per unit if the structure is brought into conformance with minimum NEZ local building code standards for occupancy or to improve the livability of the units while meeting minimum local building code standards.

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The amount of the NEZ tax on a rehabilitated residential structure is determined each year by multiplying the taxable value of the rehabilitated portion of the facility for the tax year immediately preceding the effective date of the NEZ Certificate by the total mills. Land value and special assessments are not included in the tax abatement. The continuance of a Residential NEZ Certificate is conditional upon being current on payment of all taxes and any other debts owed to the City on an annual basis.

Discussion ensued between Council, Mayor Siver and City Administrator Fred Zorn. One concern was the John Grace area and why this area was not chosen for this program. Mayor Siver stated that the John Grace area was not looked at since the participation of this program is voluntary. There have been many habitat projects in the past for this area including 16 homes that were updated which mostly dealt with interior work, roofs and fencing. This program can help the City continue to create a market and build confidence in residents.

There was a consensus of Council to place this item on the next Regular Meeting agenda for approval

\*\*\*\* City / SNPHC Joint Effort to Acquire, Renovate and Sell Tax-Foreclosed Properties

Administration has outlined a program joining the City of Southfield and the Southfield Non-Profit Housing Corporation (SNPHC) to acquire tax-foreclosed properties from the Oakland County Treasurer's Office for the purpose of renovating and selling to owner-occupants. The SNPHC has agreed to provide \$1,000,000 to the City. These funds will help facilitate the acquisition and form a joint entity between the City and SNPHC to facilitate the renovation and sale of properties to owner-occupants.

A few years ago the City of Hazel Park saw a majority of their homes being bought by landlords which were not keeping the homes in compliance with the City. Hazel Park created a program to purchase the properties and have the homes renovated. Between mortgage and tax-foreclosed homes this program is aimed at improving the housing stock and home ownership.

The City will investigate the homes by pulling all records and inspecting the outside of the home. The City will not be able to view the inside of the home before purchasing. Some homes may have to be demolished but the City believes that most of the homes would be renovations. This program does not have a minimum or maximum income amount for potential home purchasers. The purchaser will need to prove that they can afford to purchase the house. The owner of the home will not be able to rent the home out for a minimum of five years. The City wants to attract people that have more affordable family budgets and would be able to maintain the property. The City cannot make a profit but can charge a 10% administration fee. Any profit made on the home would go to Oakland County. City Treasurer Irv Lowenberg cautioned the City to be careful in purchasing homes that the property taxes have been extended for a long period of time which may include an 18% penalty.

There was a consensus of Council to place this item on the next Regular Meeting agenda for approval.



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\*\*\*\*\* Short-Term Ground Lease at Former Northland Mall Site

A local Southfield research and development company is looking to do a short-term ground lease at the former Northland Mall site at the northeast corner section and will not be a problem with the Northland Mall demolition. This company is looking for a temporary space to lease to do testing for their product.

Leasing this space will help build a stronger relationship between the company and the City. The City will designate a specific area for this company and there will be plenty of space. This company is very flexible if an agreement needs to be cancelled if another opportunity comes forward. This company is willing to open their door to students and the community to help get an idea of what is happening at this location. The area would be fully fenced and screened in with security. There has not been a price agreed on for leasing the space but this money will help offset costs for Northland Mall. The hours of operation will be Monday through Friday with normal business hours and legal operations. This company has asked to keep their business name confidential.

C-07-2016 Motion by Fracassi; seconded by Mandelbaum.

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed.

C-08-2016 Motion by Brightwell; seconded by Morris.

**RESOLVED:** That the City Council authorizes the City of Southfield to enter into a temporary short-term ground lease at the former Northland Mall Site with a local Southfield research and development company.

Motion passed.

\*\*\*\*\* Installation of Art (Sculpture) in the Round-A-Bout Located on Evergreen Road at Civic Center Drive

At the February 8, 2016 Committee-of-the-Whole Meeting, the Planning Department discussed the future installation of art (sculptures) in the Evergreen Road round-a-bouts. The "Gratitude" sculpture was created by a Southfield resident and internationally-acclaimed sculptor, Jay Lefkowitz. Southfield resident Skip Davis purchased the sculpture at the 4<sup>th</sup> Annual Outdoor Sculpture Exhibit held in Southfield's Pavilion in the 1980's. The sculpture is presently valued at \$27,000. Mr. Lefkowitz's work appears in major collections and his work has been exhibited around the country. The image is abstract and expresses the City's rising soaring optimism as it points skyward towards the future. On May 18, 2015 Council agreed to accept the donation of the sculpture titled "Gratitude". The installation of the sculpture does need to be refurbished and repainted. The recommended color is "international orange".



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In 2013 the Barbara J. Davis Art Fund was established by family and friends. As the Barbara J. Davis Art Fund has sufficient funds to refurbish, repair and install the sculpture in the round-a-bout on Evergreen Road at Civic Center Drive, it is anticipated there will be no cost to the City.

Councilman Fracassi stated that it is important to know that the City accepted a piece of art without identifying a specific location for installation. Since that time of inception it has been stated that this piece should go in the round-a-bout in front of Civic Center Drive and this should have been corrected at that time. The City should be able to place the sculpture anywhere the City decides. Councilman Fracassi believes that the Commission was ill-informed with this piece. It seems like a lot of people have associated this piece of art being put into the round-a-bout. This piece will serve as a memorial since it is personally attached to some people. Councilman Fracassi believes this piece divides the City.

Councilwoman Joan Seymour stated that the Civic Center Drive round-a-bout should be a competition and believes that this piece of art is a distraction to the people.

Councilman Michael Mandelbaum stated that he spoke to people on the Public Arts Commission and they believe that this piece of art is perfect for the Civic Center Drive round-a-bout.

Council President Frasier stated that the Barbara J. Davis Art Fund is a public art fund only. Council President Frasier expressed his desire to have an arts commission like the City had years ago which includes hiring someone to coordinate the pieces of art. Councilman Frasier stated that he is not concerned with this piece being a distraction and believes this piece of art can be used as a reference to find City Hall.

C-09-2016 Motion by Crews; seconded by Brightwell

**RESOLVED:** that pursuant to Section 10 of the Rules of Procedure adopted by the Southfield City Council on February 23, 1998, Council hereby determines that there is an immediate need to act.

Motion passed. 5-2 (Fracassi and Seymour)

C-10-2016 Motion by Crews; seconded by Brightwell

**RESOLVED:** That the Council adopts the resolution authorizing the acceptance, refurbishing, repainting the sculpture “international orange” and to install the sculpture titled “Gratitude” in the round-a-bout located on Evergreen Road at Civic Center Drive.

Motion passed. 5-2 (Fracassi and Seymour)

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\*\*\*\*\* Communications

Pamela Gerald, P.O. Box 155, Southfield, Michigan, stated she is concerned about settling the employee contracts. The visioning session was great but the employee contracts are still not settled. The City Administrator is saying that the City has no money but the City purchased Northland Mall and wants to have it torn down. Ms. Gerald believes that the priorities for the City are not on target and wants to know when the City will settle the employee contracts.

Gerard Mullin, P.O. Box 155, Southfield, Michigan, stated that in the fall of 2011 he had received a legal notice in the mail. He went to the Planning Department to inspect a public file and was told that he had to do a FOIA request. On January 19, 2016 the City requested additional information from MDEQ regarding the Jordan Development for drilling. On February 17, 2016 MDEQ held a meeting and admitted that they had not responded to the six questions that the City had asked. Mr. Mullin stated that what MDEQ is doing to the City is the same way the City treated him.

Charlie Gilliam, P.O. Box 2443, Southfield, Michigan stated that 100 years ago the Titanic sank in four hours. The ship was less than 15 miles from a freighter that chose not to help. Mr. Gilliam thanked the City for having a water drive for the City of Flint. Mr. Gilliam also stated that he supports the Police Officers and Police Chief. In December the Police Department asked for bullet proof vests and then last month asked for updated firearms and 11 new vehicles. Mr. Gilliam thanked the Council for supporting the Southfield Police Department.

Daniel Maslanik, 19381 Hilton, Southfield, Michigan stated his concerns with the noise and air pollution in today's neighborhoods. Mr. Maslanik lives behind the office of Attorney Jeffrey Figer and every Saturday there are people maintaining that lawn with leaf blowers for eight or more hours. Mr. Maslanik has lived in Southfield for his whole life and would like to have an agreement made to use leaf blowers for a certain amount of time.

There being no further business, the Regular Meeting (Conducted as a Committee-of-the-Whole) adjourned at 11:25 p.m., until the next Regular Meeting scheduled for Monday, February 29, 2016, at 7:00 p.m., in the Council Chambers of the Municipal Building, 26000 Evergreen Road, Southfield, Michigan.

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Myron Frasier, Council President

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Mary Steflja, Deputy City Clerk

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